

# State of Connecticut



## Governor's Cabinet

on

## Nonprofit Health and Human Services

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### Report to

# Governor Dannel P. Malloy

May 2018

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## I. Executive Summary

In September 2011, Governor Malloy created a Cabinet on Nonprofit Health and Human Services to:

- Analyze existing public-private partnerships with respect to the state's health and human services delivery systems; and
- Make recommendations to enhance the effectiveness of delivery systems in regard to client outcomes, cost-effectiveness, accountability and sustainability.

The Cabinet consists of representatives from state agencies and nonprofit organizations and is co-chaired by Luis Pérez, President and Chief Executive Officer of Mental Health Connecticut and Anne Foley, Under Secretary of the Office of Policy and Management (OPM). (See Appendix A for Cabinet Membership).

Over the past six years, the Cabinet has developed and presented 62 recommendations to Governor Malloy based on the premise that a financially viable human services delivery system is vital to the health, quality of life and economic well-being of the state. These recommendations serve to enhance the public-private partnership that exists in Connecticut, to provide quality service and enhance the quality of life for Connecticut's residents.

Below are some examples of recommendations that were implemented:

### Contract Procurement and Administration

- OPM's Cost Standards and Purchase of Service contracts were revised to allow for certain depreciation expenses and capital reserve accounts.
- The Nonprofit Grant Program supported the sustainability of the private nonprofit providers. As of March 2018, there has been \$105 million budgeted and 594 projects awarded throughout the state from this program. In addition, another \$50 million has been placed in the new FY 18/19 budget for the Nonprofit Grant Program. The state also invested \$4.7 million to support 17 nonprofit grants through the Nonprofit Collaboration Incentive Grant Program.
- OPM, as well as other state agencies, pursued piloting a grants management module in Core-CT in support of enhance reporting requirements. On-going efforts by the State to aggregate audit and Nonprofit Strategy Platform data continues.

## Business Practice

- OPM's Office of Statewide Organizational Effectiveness, which oversees the State's Lean efforts, boosted access for nonprofits to process improvement training and technical assistance. The Licensure and Certification Workgroup (LCW) was formed pursuant to Special Act 17-21 to review the licensure and certification processes of certain state agencies and nonprofit community providers, and study potential efficiencies. In early November 2017, LCW members engaged in a five- day Lean Event to develop recommendations and strategies to streamline and standardize the process of certain types of facilities licensed by state agencies. The LCW is currently actively engaged in implementation of the recommendations from the Lean Event.

## Nonprofit Employment and Training:

- Developed and shared data on the projected future workforce needs and skills to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions.
- Projected the workforce skills requirements of the future through the development of a report documenting the core competencies for several selected occupations.

In 2017, the Cabinet began to actively engage in a strategic effort to prioritize and focus on the implementation of a limited number of achievable recommendations most likely to produce outcomes. Upon completion of this process, the Cabinet identified the following seven major recommendations for implementation:

1. Develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, as well as assisting employees to move along a career path and promote advancement in the industry;
2. Compile and share a set of fundamental components that support effective collaboration;
3. Promote access to Department of Economic and Community Development (DECD) capital and technical assistance;
4. Increase nonprofit access to process improvement, training and technical assistance;
5. Work towards creating a consistent, streamlined set of data and reporting methods that can be used uniformly across state agencies through the implementation of a Lean process improvement initiative;

6. Explore the establishment of a Rate Setting Office; and
7. Examine best practices in Contract Procurement.

Two teams were created and charged with the responsibility of developing strategies to implement the seven major recommendations described above.

## **II. Introduction**

In September 2011, Governor Malloy created the Cabinet on Nonprofit Health and Human Services. The purpose of the Cabinet is to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability. The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote best practices.

The Cabinet consists of representation from state agencies and nonprofit organizations that share responsibility for administrating health and human services programs for the state's most vulnerable residents. Currently there are 25 members serving on the Cabinet. Luis Pérez, President and Chief Executive Officer of Mental Health Connecticut, and Anne Foley, Under Secretary of the Office of Policy and Management serve as the Co-Chairs of the Cabinet. (See Appendix A for Cabinet Membership).

Since its inception in 2011, the Cabinet has made 62 recommendations to Governor Malloy, based on the premise that a financially viable human services delivery system is vital to the health, quality of life and economic well-being of the state. These recommendations serve to enhance the public-private partnership that exists in Connecticut, to provide quality service and enhance the quality of life for Connecticut's residents.

In 2017, the Cabinet began a process to re-examine its recommendations. In recognition that not all the recommendations will be successfully achieved, the Cabinet began to actively engage in a strategic effort to focus on the implementation of a limited number of achievable recommendations most likely to produce outcomes.

### III. Nonprofit Cabinet Activities

The Co-Chairs of the Cabinet met in the summer of 2016 with Governor Malloy to discuss the Cabinet's 2015-2016 recommendations. In general, the Governor supported the Cabinet's recommendations. The Governor explicitly supported the recommendations listed below:

- Nonprofit Grant Program. Continue to support the capital needs of nonprofit providers through issuance of a Request For Applications in the Fall of 2016 through the Nonprofit Grant Program.
- Board of Regents for Higher Education. Continue to explore approaches for nonprofit organizations to partner with community colleges to enhance educational opportunities for the nonprofit workforce.
- Rate Setting Office. Pursue the feasibility of establishing a Rate Setting Office.

The Cabinet continues to work to develop strategies to ensure these recommendations are implemented. The status of the recommendations can be found in section IV "Nonprofit Cabinet's Accomplishments and Previous Recommendations".

In 2017, the Cabinet held three meetings on March 28, July 24, and October 31. The primary focus of these meetings was to develop a plan to take inventory of the Cabinet's 62 recommendations, develop a plan to prioritize and focus on the implementation of a limited number of achievable recommendations, and to monitor the progress of the implementation of the recommendations.

The Cabinet decided that the best approach to prioritize the significant number of recommendations would be through the continuation of the existing workgroup, subcommittee and steering committee structure. The Cabinet's existing three workgroups and subcommittees include:

- Nonprofit Employment and Training Workgroup
  - Subcommittees - second chance society, training and staffing, and education and outreach
- Contract Procurement and Administration Workgroup
  - Subcommittees - contract reform and payment reform
- Business Practice Workgroup
  - Subcommittees - data and technology, and business models

Over the course of several months in 2017, the Cabinet engaged in a strategic effort to prioritize its 62 recommendations. The Cabinet's workgroups reviewed past recommendations under each of their respective topic areas to determine whether and how their recommendations have or have not been implemented. The list of implemented, on-going and remaining recommendations can be found in section IV of this report.

Once the workgroups completed their initial work of identifying the recommendations that have and have yet to be implemented, the results were shared with the Cabinet's steering committee. The steering committee developed, and the Cabinet members approved, a plan to prioritize the remaining recommendations. As a result, the workgroups were asked to determine their top five recommendations based on the following criteria: cost effectiveness; feasibility of implementing recommendations; readiness to implement recommendations; level of impact recommendations have on facilitating communication and enhancing public-private partnerships to assure opportunity, quality service and quality of life for all residents; and its relevance to the ongoing work of the Cabinet.

The workgroups identified 15 priority recommendations, which were reviewed by the steering committee. In recognition that not all recommendations will be successfully implemented, the steering committee determined that the best approach to further prioritize the recommendations was to develop and distribute a survey to members of the full Cabinet. Cabinet members were asked to rank recommendations within each of the workgroup's content areas. They were asked to base their choices on implementing those recommendations that would have the greatest beneficial impact to the nonprofit community and that have a 70% or greater chance of being implemented by the end of 2017.

The results of the survey include:

- The majority of Cabinet members completed the survey (22 out of 26).
- The survey results identified eleven priority recommendations out of the fifteen top recommendations.
- Members merged similar recommendations with others resulting in seven priority recommendations.

The seven recommendations endorsed by the Cabinet include:

1. To develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, as well as assisting employees to move along a career path and promote advancement in the industry.

2. To compile and share a set of fundamental components that support effective collaboration.
3. To promote access to DECD capital and technical assistance.
4. To increase nonprofit access to process improvement and technical assistance.
5. To work towards the creation of a consistent, streamlined set of data and reporting methods that can be used uniformly across state agencies through a Lean process improvement initiative.
6. To explore the establishment of a Rate Setting Office.
7. To examine best practices in Contract Procurement.

Cabinet members recommended that two teams (Team 1 – Human Resources, Collaboration and Technical Assistance and Team 2 – Rates, Contracts, Data Usage and Reporting) be created to replace the existing three workgroups to work on developing strategies for the major recommendations listed above. The specific strategies and recommendations can be found below.

### **Team 1: Human Resources, Collaboration and Technical Assistance**

#### **Team 1 Guiding Principles:**

- *Provide concrete deliverables that are no to low cost.*
- *Build partnerships between the public and private sectors.*
- *Increase communication and awareness between the public and private sectors.*

**Team Charge 1:** To develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, as well as assisting employees to move along a career path and promote advancement in the industry.

#### **Recommendations:**

- a) Continue to meet with the Connecticut Board of Regents for Higher Education to develop opportunities for educational partnerships that advance staff within nonprofit organizations.
- b) Pursue a potential pilot for a “no empty seat initiative”, which will allow nonprofit staff to attend college courses by using unused classroom seats.

- c) Create tools for organizations to communicate internship opportunities to nonprofit agencies that result in effective nonprofit/ education collaboration.

**Team Charge 2:** To compile and share a set of fundamental components that support effective collaboration.

**Recommendations:**

- a) Host a conference in 2018 designed to increase awareness of Connecticut resources available to nonprofit organizations which will enhance their performance.
- b) Create a nonprofit portal including a virtual resource link to be used by nonprofit organizations.
- c) Develop a nonprofit tool box that will provide nonprofit organizations with tools to strengthen their effectiveness in the delivery of health and human services.

**Team Charge 3:** To promote access to DECD capital and technical assistance.

**Recommendations:**

- a) Communicate to nonprofit organizations opportunities through DECDs' Small Business Express Programs, such as the revolving loan program.

**Team Charge 4:** To increase nonprofit access to process improvement and technical assistance.

**Recommendations:**

- a) Continue to promote the work of Connecticut Data Academy.

**Team 2: Rates, Contracts, Data Usage and Reporting**

**Team Charge 1:** Create a consistent, streamlined set of data and reporting methods that can be used uniformly across state agencies. Review and make recommendations to the Cabinet on cross-agency data management tools that show population level results.

**Recommendations:**

State agency data collection systems should reflect best practices and facilitate the sharing of data. These practices include:

- a) State contracting agencies seeking to use on-line tools to enable providers to enter outcome and other data directly into state agency reporting systems.

- b) Individual state agencies working with providers, to the extent feasible, to establish standards or tools that would enable providers to align and electronically transfer data from their systems into the State agency system.
- c) Efforts made across state agencies to standardize, where possible, the definition of common data elements.
- d) Enhance state agency reporting capabilities to include aggregating service unit and outcome measure data across programs and, to the extent feasible, across state agencies.
- e) Consider for inclusion, health and service information collected through POS contracts in the efforts underway at the State level in regard to Electronic Health Records (EHR) and the sharing of case management and client information across state agencies.

**Principles Regarding Outcome Measures in Purchase of Service Contracts:**

- a. Outcome Measures in contracts shall be focused on whether service is achieving the results for the individuals and populations served. The activities required by the contract (e.g. number of clients served) should be measured separately.
- b. State agencies and providers shall work together, in advance, to have a clear understanding of the outcome measures for services.
- c. Data collected shall be relevant to measuring outcomes and performance; non-relevant data should not be collected or required.
- d. Outcome data collected shall provide a basis for continuous improvement activities, program evaluation related to service types and models and resource allocations through the budget process.
- e. POS service types and outcome measures shall be based, to the extent possible, on evidence or research demonstrating a strong correlation of the service type/model and outcome measures to positive results for individuals and populations.
- f. For clients served by multiple state agencies or providers, sharing critical information about individuals is vital to effective care.

**Recommendations Regarding Implementation of Data Use and Reporting:**

The Secretary of OPM convene a working group of representatives from the state POS agencies and an equal number of providers, similar to the group that recently met on

licensing issues, to meet and apply Lean process improvement methods regarding POS data collection tools and agency processes around developing and utilizing service level and outcome measures in POS contracts.

- a) This work group's goal is to establish a work plan to ensure: 1) that data collection methods reflect best practices; 2) that contract and program measures within POS health and human service contracts reflect and demonstrate a contract or program's contribution to population indicators and results; and 3) that outcome measures are used for continuous quality improvement of services and for resource allocation and contract management.
- b) As part of this effort, POS contracting agencies shall each establish an intra-agency team (that includes staff from data, program and contracts divisions) to: 1) review data collection methods for best practices and 2) identify and support the inclusion of appropriate outcome and performance measures into POS contracts.
- c) The plan should recognize that state agencies and providers need adequate resources/guidance/assistance to develop, implement and use appropriate data collection tools and performance measures.
- d) The 2013 Population Results work group's population indicator categories and measures should be revisited as a part of this effort; work with the CT Data Collaborative to gain their assistance in this regard.

**Team Charge 2:** Exploration of a Rate Setting Office

- a) Define the true cost of doing business as a nonprofit organization.
- b) Complete research on models for establishing a Rate Setting Office and recommendations made to the Cabinet.
- c) Identify policy changes to prioritize paying for cost of services to ensure sustainability of the Nonprofit Health and Human Services system.

**Recommendations:**

These following principles are intended to help guide policy changes for payment, as well as the future establishment of a Rate Setting Office.

**Principles for Residential Rate Setting Systems**

- a) State procurement, rate setting, and budgetary systems should enable the health and human service delivery system to achieve appropriate levels and models (a continuum/menu) of care.

- b) Rate setting systems should have accurate methods of identifying and reimbursing providers for different levels of client acuity, and ensuring sufficient rates to comply with regulatory requirements.
- c) Rate setting systems should reflect increases in costs over time, and encourage efficiencies related to productivity improvements, shared services, and technological advances.
- d) In rate setting, state agencies should work with providers to maintain the balance between service quantity (units of service), quality, and service needs.
- e) Payment for services should be set in a fair and transparent fashion with clear methodology, noting if there is a cost settlement component.
- f) Rate setting systems should have the following characteristics:
  - Be standardized across agencies and providers to the extent feasible in order to minimize administrative burden for providers and state agencies.
  - Be transparent and understandable.
  - Clearly identify expected outcome measures.
  - Comply with federal and statutory requirements.
  - Maximize federal or third-party revenue.
  - Support the principles outlined above.

**Team Charge 3:** Examine best practices in Contract Procurement

- a) Identify best practices in contract procurement.
- b) Identify three best practices for implementation in cooperation with OPM.

**Recommendations:**

1. Review the status of OPM's Procurement Standards, in general, and changes made resulting from recommendations made by the Cabinet in previous years.

*The power point presentation with the Teams' full recommendations can be found in Appendix E.*

Additionally, the Cabinet is in the process of finalizing a communication plan to share information on Cabinet activities and outcomes. The following communication recommendations have been developed to date.

**Communication Recommendations:**

1. Develop a list of resources which include a link to information on work that has been completed by the two Teams, information on the Connecticut Data Academy's training opportunities; DECD Small Business Express Program and other appropriate information.
2. Develop and present a resource list which adds value to nonprofit organizations.
3. Develop and present resources and other relevant information to the public.
4. Encourage state agencies to share resources with their contractors.
5. Consider team presentations on the joint work of state agencies and nonprofit organizations to legislators.
6. Provide resource information approximately four times a year.

## IV. Nonprofit Cabinet's Accomplishments and Previous Recommendations

The following list highlights the Cabinet's accomplishments and previous recommendations that have and have not been implemented, as well as recommendations carried forward to 2018 by the three previous workgroups from which they originated. The recommendations carried forward will be incorporated into the seven priority recommendations that the Cabinet's two Teams will be addressing.

One major accomplishment was the adoption of the Partnership Principles by the Cabinet in 2012. These Partnership Principles are intended to promote fair, effective, responsive, transparent and accountable principles between nonprofit providers and their state government funders. (See Appendix D for a complete list of the Cabinet's Guiding Principles). The key elements are:

- All contracted services are based on dynamic, data-driven systems.
- Selection processes for contracted providers are transparent and competency-based.
- Contract terms and renewals are based on the community's best interest and performance.
- Contract amounts and timely payments are critical to maintaining a viable system.
- Reporting and monitoring promote efficiency and accountability.
- Open communication and mutual accountability are critical for government and nonprofit providers to fulfill their shared commitment to the public.

### *Nonprofit Employment and Training Recommendations Accomplished*

1. Present projected future workforce needs, skills, and data on nonprofit employment and wages.
  - The Employment and Training Workgroup developed and presented to the Cabinet their findings on the current and future workforce needs, skills and data on nonprofit wages to be used to assist the nonprofit sector in the development of its workforce. The report can be found at:  
[http://www.ct.gov/opm/lib/opm/Work\\_Group\\_on\\_Nonprofit\\_Employment\\_Data\\_10-22-14\\_BC.pdf](http://www.ct.gov/opm/lib/opm/Work_Group_on_Nonprofit_Employment_Data_10-22-14_BC.pdf)

2. Project the workforce skill requirements of the future considering the impact of the Affordable Care Act.
  - The Employment and Training Workgroup completed work on core competencies for selected occupations. The findings can be found at: [http://www.ct.gov/opm/lib/opm/Core\\_Competencies\\_Appendix.pdf](http://www.ct.gov/opm/lib/opm/Core_Competencies_Appendix.pdf)
3. Support the workforce of the future, encouraging nonprofit health and human service agencies to reflect the inclusion and diversity of the population served.
  - Ongoing efforts support diversity of nonprofit workforce to reflect the population served.
4. Create a Jobs Workgroup.
  - The Employment and Training Workgroup explored the feasibility of creating a jobs workgroup and determined that the intent to collect, analyze and share data on the nonprofit sector workforce needs are being addressed under several other recommendations.
5. Provide guidance in the rollout of the Second Chance Society Initiative to engage nonprofit participation.
  - Nonprofits have played an active role in advocating for the Second Chance Society Initiatives through involvement in Governor Malloy's Reimagining Justice Conference. Nonprofits played a role in creating the vision for the conference through participation on the conference Steering Committee, as well as a role in steering and informing conversation at the event as panelists.
6. Review best practices within the state and across the country.
  - The Employment and Training Workgroup reviewed best practices within the state and across the country to assist in the development of its recommendations.
7. Work with the Department of Veterans Affairs (DVA) to match health and human services workforce needs to potential workers.
  - DVA partnered with Chrysalis Center, Inc. through a MOU with DMHAS. Chrysalis offers certificate trainings to Veteran Residents residing in DVA Residential Facility: Guard Card, Fork Lift Operator, and OSHA.

### *On-going Recommendations*

The following recommendations will be addressed under Team 1 of the newly formed workgroup structure:

1. Develop and implement strategies for recruiting, training and retaining staff.
2. Recommend a plan to work with the Board of Regents for Higher Education to train the future workforce.
3. Work with the DECD to develop incentives for nonprofit businesses.
4. Recommend a formalized statewide system for identifying interns, a key resource for nonprofit providers.
5. Recommend training and supports for career advancement.
6. Promote education and outreach.

### *Remaining Recommendations*

1. Work with the State Department of Education and the elementary education systems to train the future workforce.
2. Identify a designee to participate on the CT Employment and Training Commission.
3. Support recommendations made by the Commission on Nonprofit Health and Human Services regarding, wages, health insurance and retirement benefits.

### *Contract Procurement and Administration* *Recommendations Accomplished*

1. Revise the State's Procurement Standards.
  - Completed and posted a power point to the OPM website. The Summary of the Procurement Standards for Purchase of Service (POS) and Personal Service Agreement (PSA) Contracts dated 11-19-15 can be found at: [http://www.ct.gov/opm/lib/opm/Procurement\\_Standards\\_Presentation\\_11-19-15.ppt](http://www.ct.gov/opm/lib/opm/Procurement_Standards_Presentation_11-19-15.ppt)
  - A full review of the procurement standards was undertaken and modifications made, including changes related to waivers. The modifications can be found at: [http://www.ct.gov/opm/lib/opm/Procurment\\_Standards\\_Redline\\_Version\\_12-5-14.pdf](http://www.ct.gov/opm/lib/opm/Procurment_Standards_Redline_Version_12-5-14.pdf)

2. Enhance reporting requirements.

- OPM, as well as other state agencies, pursued piloting a grants management module in Core-CT in support of enhanced reporting requirements. On-going efforts by the State to aggregate audit and Nonprofit Strategy Platform data continues. Annual measures regarding the financial health of nonprofit providers are included in OPM's annual [POS Reports](#).

3. The Nonprofit Grant Program and the Nonprofit Collaboration Incentive Grant Program supported sustainability of private nonprofit providers.

- The Governor's Nonprofit Grant Program was enacted through Public Act 13-239. The concept behind this program was to help nonprofit providers with capital purchases such as: facility renovations, improvements, additions and new construction, energy conservation improvements, purchase of vehicles, and acquisition of property. As of March 2018, there has been \$105 million budgeted and 594 projects awarded throughout the State from this program. In addition, another \$50 million has been included in the new FY 18/19 budget for the Nonprofit Grant Program.
- The Nonprofit Collaboration Incentive Grant Program was established by C.G.S. Section 4-12v which authorized \$5 million to provide grants for one-time infrastructure costs to implement consolidations of programs and services resulting from the collaboration of two or more nonprofit organizations. Since 2010, 17 grants were awarded to nonprofit organizations throughout the state.

4. Develop recommendation to enhance bonding alternatives for nonprofit health and human services providers.

- Refer to recommendation # 3 above.

5. Continue to support the capital needs of nonprofit providers through the Nonprofit Grant Program.

- Refer to recommendation # 3 above.

6. Continue POS State Agency Bonding Mechanism.

- Refer to recommendation # 3 above.

7. Survey access to private market capital.

- Refer to recommendation # 3 above.

8. Revise OPM's Cost Standards regarding depreciable expenses.

- Cost standards reviewed and a number of revisions were made based on Cabinet recommendations. Revisions can be found at:

[http://www.ct.gov/opm/lib/opm/POS\\_Cost\\_Standards\\_Redline.pdf](http://www.ct.gov/opm/lib/opm/POS_Cost_Standards_Redline.pdf)

9. Revise OPM's Cost Standards and POS contracts to allow nonprofit providers to establish reserve accounts.

- Alternate means for meeting the capital needs of the nonprofit providers were addressed in the Nonprofit Grant Program.

10. Revise State Procurement Standards for POS contracts based on Cabinet recommendations.

- Contract procurement standards were revised to address several recommendations of the Cabinet's recommendations. Revisions can be found at:

[http://www.ct.gov/opm/lib/opm/POS\\_Cost\\_Standards\\_Redline.pdf](http://www.ct.gov/opm/lib/opm/POS_Cost_Standards_Redline.pdf)

11. Monitor status of procurement recommendations.

- Principles to Guide the State/Private Nonprofit Providers Partnership are posted to the Nonprofit Cabinet's website: [Nonprofit Health & Human Services, Governor's Cabinet on](#) and may be found in Appendix D. Principles have been discussed with State agency POS staff members. Procurement Standards were reviewed and a number of revisions were made and posted to OPM's website. See link under Recommendation 1 in this section. Streamlining data reporting is an on-going activity. An electronic budget workbook for reporting budgetary information has also been implemented. Assessing the financial health of nonprofit providers is included as part of the annual POS Report.

12. Create a model for savings reinvestment business.

- Public Act 17-122, An Innovation Incentive Program for Nonprofit Providers of Human Services authorizes the Secretary of OPM to establish an incentive program for nonprofit providers of human services whose contracts with the state do not exceed one million dollars and who provide direct services to not more than one hundred fifty persons enrolled in state-funded assistance programs in specific geographical regions of the state. The Act's incentive program may allow

providers to keep a portion of any savings they realize from the contracted cost of services as long as they meet their state contract's requirements. The incentive program may also require that (1) providers use 50% of the savings they retain to expand services and (2) future contracted amounts for the same type of service are not reduced solely to reflect the savings a provider achieves. Further work is needed in this area and will be addressed by Team 2.

13. Review the feasibility of retention of unexpended funds.

- Refer to recommendation #12 above.

14. Create a reimbursement model that covers the cost of doing business

- Section 27 of Public Act 17-2, June Special Session, requires private and nonprofit organizations providing services under contract with the Department of Developmental Services (DDS) or the Department Of Mental Health and Addiction Services (DMHAS) to reimburse these agencies at 100%, or an alternate amount identified by the DDS or DMHAS commissioners and approved by the OPM Secretary, of the difference between the actual expenses incurred and the amount the organization received from these agencies under the contract. Further work is needed in this area and will be addressed by Team 2.

15. Consider a Surplus Retention Policy

- Refer to recommendation #14 above.

16. Worked with OPM's POS Unit on contracting reforms.

- OPM oversaw a project for a new web-based contract management system related to POS contracts. State agencies will begin to transition all POS contracts including corresponding budgets into the new system. Nonprofit organizations may access the system to track the status of their POS contracts.

17. Modify the Department of Developmental Services Residential Revolving Loan Program.

- The Contract Procurement and Administration Workgroup explored options to modify DDS' Residential Revolving Loan program and concluded that this recommendation was not feasible to make such modifications.

### *On-going Recommendations*

The following recommendations will be addressed under Team 2 of the newly formed workgroup structure:

1. Establish a policy-level coordinating entity to ensure the development of program relevant performance measures that demonstrate program specific contributions to the population indicators and results as developed by the Cabinet.
2. Establish an intra-agency team among state agencies awarded health and human services POS contracts to support the inclusion of appropriate performance measures into POS contracts.
3. Review best practices within the state and across the country related to procurement processes.
4. Create a reimbursement model that covers the cost of doing business.
5. Develop recommendations for payment reform models to enhance financial viability.

### *Remaining Recommendations*

1. Assess cost of healthcare for nonprofit organizations.

### *Business Practices Recommendations Accomplished*

1. Support Pay For Success/Social Innovation.
  - Currently, the Department of Children and Families is administering a Pay for Success Pilot. The results of the pilot will not be available until mid-2018.
2. Support the nonprofit community's capacity to utilize process improvement models by extending the State's Lean consulting contracts to nonprofit providers.
  - Slots to nonprofit providers were offered in September 2014, May 2015, and August 2015. State Lean process efforts included partners and stakeholders as part of the process.

3. Boost access for nonprofits to process improvement training and technical assistance through OPM's Office of Statewide Organizational Effectiveness, which oversees the State's Lean Efforts.
  - Public Act 17-21: Establishing a Working Group to Review the Licensure and Certification Process for Certain Nonprofit Community Providers.
    - The Licensure and Certification Workgroup (LCW) was formed pursuant to Special Act 17-21 to review the licensure and certification processes of certain state agencies and nonprofit community providers, and study potential efficiencies. In early November 2017, LCW members engaged in a five day Lean Event to develop recommendations and strategies to streamline and standardize the process of certain types of facilities licensed by state agencies. The LCW is currently actively engaged in implementation of the recommendations from the Lean Event. The interim and final report, including recommendations, may be found at: <http://www.ct.gov/opm/cwp/view.asp?Q=595480>. The LCW is continuing to meet to implement the recommendations from the Lean event.
4. Work with the State's Open Data Portal.
  - Nonprofit providers may access the State's Open Data Portal to obtain data to assist in their decision-making and planning processes.
5. Identified the frameworks for tracking and analyzing performance measures that are currently being used.
  - The Business Practice workgroup worked with OPM to develop and administer a survey to the state agencies who contract with nonprofit organizations to obtain data on the tracking systems used to collect and analyze current performance measures. Further work is needed in this area and will be addressed by Team 2.

### *On-going Recommendations*

The following recommendations will be addressed under Team 1 of the newly formed workgroup structure:

1. Work with DECD to expand access to capital and technical assistance.

2. Compile and share a set of fundamental components that support effective collaboration.

### *Remaining Recommendations*

1. Make recommendations regarding human resource innovations that support nonprofit organizations.
2. Make recommendations regarding technology resources working with the Connecticut Center for Advanced Technology.
3. Make recommendations on how to increase technical assistance to nonprofit organizations to drive service improvements.
4. Adopt cross-agency population results and refine the preliminary population indicators by using actual data to ensure the process is moving forward.
5. Look at best practices within the state and across the country.
6. Establish a Population Results Organizing Body of the Cabinet.
7. Develop a plan for implementing cross-agency population results.
8. Designate Connecticut Data Academy as the structure to acquire, maintain and make accessible the population indicators data.

## **V. NEXT STEPS**

The Co-Chairs of the Cabinet will contact the Governor's Chief of Staff to review and discuss the final recommendations and implementation strategies presented in this report to ensure that the Governor has an up-to-date understanding of the work of the Cabinet. The Cabinet will continue to work on implementing and monitoring its recommendations. These recommendations serve to enhance the public-private partnership that exists in Connecticut, to provide quality service and enhance the quality of life for Connecticut's residents. These recommendations, if implemented, will also address the most pressing issues facing the nonprofit health and human services delivery system in Connecticut.

## **VI. FUTURE OF THE GOVERNOR'S NONPROFIT CABINET**

Cabinet members strongly encourage the continuation of the Governor's Nonprofit Cabinet after the new administration is in place. The Cabinet serves as a vehicle for providing critical, up-to-date information for nonprofit health and human service providers and a venue to promote best practices. The partnership between the nonprofit providers and state

agencies is a productive collaboration to assure opportunity, quality service, and quality of life for all of the state's residents.

Nonprofit providers are deeply rooted in their local communities and are generally the primary providers of health and human services in Connecticut. The partnership between state agencies and the nonprofit community must remain viable and sustainable if Connecticut residents and communities are to receive services that are efficient and effective.

The Nonprofit Cabinet was created to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to the Governor to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability and sustainability. Since 2011, the Cabinet has implemented thirty recommendations that addresses the most pressing issues facing the nonprofit health and human services delivery system in Connecticut.

The continuation of the Cabinet under a new administration will serve to enhance the public-private partnership that exists in Connecticut, to meet the essential human service needs of its residents, and enhance the quality of life for Connecticut's residents. In an effort to ensure awareness of the value and importance of the Cabinet, OPM will provide information on the accomplishments and future work of the Cabinet in its transition briefing to the new administration.

**Appendix A**  
**Governor's Cabinet on Nonprofit and Human Services Membership**

**Co-Chairs**

Luis Pérez  
President and Chief Executive Officer, Mental Health Connecticut

Anne Foley  
Under Secretary, Office of Policy and Management

**Members**

Roderick Bremby  
Commissioner, Department of Social Services

Roberta Cook  
President and Chief Executive Officer, BHcare, Inc.

Robert Dakers  
Executive Finance Officer, Office of Policy and Management

Miriam Delphin-Rittmon  
Commissioner, Department of Mental Health  
& Addiction Services

Alyssa Goduti  
President and Chief Executive Officer, Connecticut Council of Family Service Agencies

William Hass  
President and Chief Executive Officer, LifeBridge

Joette Katz  
Commissioner, Department of Children and Families

Evonne Klein  
Commissioner, Department of Housing

James Maloney  
President and Chief Executive Officer, Connecticut Institute for Communities

Raul Pino  
Commissioner, Department of Public Health

Amy Porter  
Commissioner, Department of Rehabilitation Services

Richard Porth  
Chief Executive Officer, United Way of CT

Maureen Price-Boreland  
Executive Director, Community Partners in Action

Gary A. Roberge  
Executive Director, Court Support Services Division, Judicial  
Department

Josie Robles  
Chief Executive Officer, Hartford Behavioral Health

Anne Ruwet  
Chief Executive Officer, CCARC, Inc.

Jordan Scheff  
Commissioner, Department of Developmental Services

Scott Semple  
Commissioner, Department of Correction

Barry Simon  
President and Chief Executive Officer, Oak Hill

Amos Lee Smith  
President and Chief Executive Officer, Community Action Agency of New Haven

Kathleen Stauffer  
Chief Executive Officer, The Arc of New London County

David Stevenson  
President and Chief Executive Officer, Central Connecticut Coast YMCA

David Wilkinson  
Commissioner, Office of Early Childhood

## **Appendix B**

### OPM Annual Report on Purchase of Service Contracts

The OPM Annual Report on Purchase of Service (POS) Contracts summarizes information regarding POS contracting activity of state agencies. As required by Public Act 11-238, this report includes an assessment of the aggregate financial condition of nonprofit, community-based health and human services agencies that enter into POS contracts. Follow the link below to view the 2017 Annual Legislative POS Report from the Office of Policy and Management.

[POS Annual Report, FY 17, October 2017](#)

### **OPM COST STANDARDS**

[Purchase of Service: Cost Standards](#) (PDF)

Date: October 21, 2016

### **OPM PROCUREMENT STANDARDS**

[Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts](#)

Revised: December 5, 2014

## APPENDIX C

### COMMISSION ON NON-PROFIT HEALTH AND HUMAN SERVICES

The Commission on Non-Profit Health and Human Services was the predecessor to the Governor's Cabinet on Nonprofit Health and Human Services. The Governor's Cabinet has built on the work of the Commission.

#### **Commission on Non-Profit Health and Human Services**

The Commission was created by Special Act 10-5 to analyze the funding provided to non-profit providers of health and human services under purchase of service contracts.

Final Report: March 31, 2011:

[http://www.ct.gov/opm/lib/opm/finance/hhs\\_commission/final\\_report\\_commission\\_on\\_nonprofit\\_health\\_and\\_human\\_services.pdf](http://www.ct.gov/opm/lib/opm/finance/hhs_commission/final_report_commission_on_nonprofit_health_and_human_services.pdf)

## APPENDIX D

### Principles to Guide the State-Private Nonprofit Provider Partnership

The following key areas for Guiding Partnership Principles are intended to promote a fair, effective, responsive, transparent and accountable partnership between nonprofit providers and their state government funders.<sup>1</sup>The link to the Donor's Forum – Partnership Principles for a Fair and Sustainable Human Service System was used as a guide and reference to develop the Cabinet's principles.

[http://www.ct.gov/opm/lib/opm/secretary/hhs\\_cabinet/partnershipprinciples.pdf](http://www.ct.gov/opm/lib/opm/secretary/hhs_cabinet/partnershipprinciples.pdf)

1. **CONTRACTED SERVICES:** All contracted services are based on a dynamic, data-driven system.

a. Contracted services are based on a comprehensive and transparent planning process that defines and prioritizes services.

1. Planning includes local and regional input from consumers, providers and state agency representatives.

2. Planning is coordinated across service and funding areas.

3. Planning is conducted at a minimum of every 10 years based on the most recent census data, and no more frequently than every five years.

4. Public funding is allocated across services, geography, and populations based first on existing needs, with consideration of emerging needs, service gaps, and disparities.

b. Contracted services balance best practices and good stewardship of public dollars with given resources.

1. There is a system to uniformly describe services and identify consistent terminology for use in budgeting, contracting, reporting, and evaluating.

2. Government and service providers participate in a formal process to identify, define, and communicate best, informed, and promising practices for contracted services. (e.g. DMHAS Practice Improvement Initiative)

3. In determining contracted services, government considers both short- and long-term benefits to consumers and communities, given available resources.

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<sup>1</sup> Adapted from: State of Connecticut: Commission on Nonprofit Health and Human Services (2011) Final Report, Special Act 10-5 (pp 79)

4. Contracted services are assessed according to the relative benefits to the consumers and communities, the number of potential beneficiaries, and the severity and/or extent of need.
5. Where communities do not have the infrastructure to deliver the necessary level or types of services, public dollars are invested in building the capacity of providers to deliver effective services.
6. Government invests in innovative services and service models for providers to achieve desired results.

2. **CONTRACTED PROVIDERS:** The selection processes for contracted providers are transparent and competency-based.

a. The procurement for human services is a transparent and streamlined decision-making process.

1. Government establishes grant criteria and contract award processes in advance and adheres to request for proposal (RFP) processes.
2. Government consistently applies standards and policy to determine contract awards across providers.
3. Potential bidders receive adequate notice of funding opportunities at a designated state website (e.g. State agency and DAS Procurement Portal).
4. Each request for proposal includes explicit guidance on eligibility qualifications for service providers, and all qualified, interested providers have the opportunity to apply.
5. Paperwork is reduced and duplication is minimized through a shared use of a common data bank.

b. Contracts are awarded to providers that best demonstrate an ability to achieve desired outcomes through delivery of quality services.

1. Criteria for selecting providers include experience with service delivery, utilization of appropriate best practice or innovative models, investment in infrastructure, qualified staff and a track record of delivering the agreed-upon outcomes.
2. Selected providers demonstrate specific experience with, or knowledge of, the work specified, the target population(s), community, or region; community and consumer support; and cultural competency.

3. **CONTRACT TERMS AND RENEWALS:** Contract terms and renewals are based on community best interest and performance.

a. Contract renewal is based on provider performance and demonstration of continues ability to deliver contracted services.

1. There is a system for defining and measuring acceptable and excellent performance, including consumer satisfaction.

b. Decisions to conduct open bidding processes rather than contract renewals consider investments required to apply for, start up, deliver, administer, and evaluate services as well as impact on existing clients.

1. The renewal process minimizes duplicative paperwork by allowing providers to certify where there are no changes to corporate legal and organizational status.
2. Rebidding of contracts is based on principles associated with service quality and cost-effectiveness and fairness associated with the procurement process and on appropriate re-procurement cycles for services subject to rebidding.

c. When contracts are not renewed, the transition process takes the best interests of consumers and communities into account.

1. Timeframes for government communication about the non-renewal of a contract allow for coordination between terminated and new providers to provide continuity of care for consumers.

4. CONTRACT AMOUNTS AND TIMELY PAYMENTS: Contract amounts and timely payments are critical to maintaining a viable system.

a. Payment is based on the full cost of efficient service delivery consistent with agreed-upon quality standards.

1. Payment for services is set in a fair and transparent fashion with clear methodology for assessing the full costs of service delivery and with the opportunity for providers to provide input on the methodology.
2. Where possible and appropriate, payment may be adjusted to reflect differences of geography and/or consumer needs, to the extent that they impact the cost to deliver service.
3. Payment may be adjusted to reflect a level of quality or performance above a defined baseline.
4. Budgets are reviewed and adjusted annually to reflect changing costs of service delivery.
5. Services and other requirements to receive payment, and payment terms, are established at the beginning of the contract and renegotiated only in accordance with pre-established parameters and timeframes.

b. Contracted providers providing services in accordance with contractual requirements do not bear financial risk of late payment.

1. Payments to providers adhere to agreed-upon timeframes.

c. Payment mechanisms maximize federal dollars for the State of Connecticut.

5. REPORTING AND MONITORING: Reporting and monitoring promote efficiency and accountability.

a. Reporting and monitoring systems emphasize the level and efficacy of services for consumers.

1. Providers and government agree in advance and adhere to evaluation methods, which may include assessments by staff and consumers as well as other performance measures.

2. Providers and government agree in advance to program activity measures that provide pertinent information about the services.

b. Reporting, billing, and monitoring systems are efficient and standardized across services and government agencies.

1. Reporting requirements are scaled to the amount of funding provided.

2. Compliance requirements related to financial management are consistent with generally accepted accounting standards.

3. Government monitoring procedures for financial and organizational compliance are standardized and accepted across government agencies, with the objectives to reduce paperwork and eliminate redundant monitoring.

c. Technology efficiently serves the information needs of government and service providers, including the input, reporting, and analysis of service and billing information.

1. Government agencies use common systems for provider reporting and billing to avoid duplicate entry.

2. Government reporting systems allow providers to access the data that they have reported to the government.

3. Government reporting systems allow interface with provider information systems, including furnishing an electronic document vault/file cabinet.

4. Government invests in current technology including its own systems, systems that government requires providers to use, and the related costs of providers' systems.

d. Providers and government agree on the best techniques to demonstrate value of services and prudent use of public funds.

6. COMMUNICATION: Open communication and mutual accountability are critical for government and nonprofit providers to fulfill their shared commitment to the public good.

a. Government and providers are proactive and responsive in their communications concerning all aspects of the contracting relationship, including opportunities and challenges.

1. Government seeks input from providers about potential contract changes and requirements, as well as realistic timeframes to implement these activities.
2. Government provides information about contract changes, requirements, and deadlines within reasonable timeframes to provide for thoughtful planning and to minimize negative consequences for consumers.
3. Government engages providers in developing and implementing quality standards, outcome measurements, and reporting and billing systems.
4. Specific individuals within the government and provider structures are designated as contacts for the other party for problem solving and other communication.
5. In addition to informal communication, there are specific mechanisms that provide opportunities for regular dialogue between government and providers.

b. Government coordinates human services contracting activities across departments and agencies in order to enhance efficiency and effective service delivery for consumers.

c. Government regularly makes information on human services and their results available to the public. <sup>2</sup>

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<sup>2</sup> Adapted from: Fair and Accountable Principles for a Sustainable Human Service System (Chicago, IL: Donors Forum, January 2010)

## **Appendix E**

### **Governor's Nonprofit Cabinet on Health and Human Services Teams**

The full report of Team 1 – Human Resources/Collaboration/Technical Assistance and Team 2 – Data Collection/Rate Setting/ Contract Management can be found at:  
[http://www.ct.gov/opm/lib/opm/1-11-18\\_np\\_cabinet\\_presentation\\_final\\_final.pdf](http://www.ct.gov/opm/lib/opm/1-11-18_np_cabinet_presentation_final_final.pdf)

## Appendix F

### Cabinet Recommendations 2012- 2016

The following is a list of the recommendations made by the Cabinet between 2012 - 2016. The Cabinet's Reports can be found on its website under Final Reports to the Governor: <http://www.ct.gov/opm/cwp/view.asp?a=2998&Q=490946>

#### **2012 Recommendations**

1. Adopt Principles to Guide the State -Private Nonprofit Provider Partnership: The Cabinet recommends that the State of Connecticut adopt Principles to Guide the State-Private Nonprofit Provider Partnership. These Partnership Principles are intended to promote a fair, effective, responsive, transparent and accountable partnership between nonprofit providers and their state government funders.
2. Adopt the six Population Results Statement and Headline Indicators of Success should be adopted across all state agencies, and all related Results-Based Accountability (RBA) reporting and analysis should be linked to these results statements. State government and nonprofit agencies can customize these Populations Results Statements to focus on the quality of the specific populations they serve. Population Results Statements include:
  - a. All Connecticut residents:
    - live in safe families and communities
    - are economically secure
    - are developmentally, physically, and mentally healthy across the lifespan
    - who are elderly (65+) or have disabilities live engaged lives in supportive environments of the choosing
    - succeed in education and are prepared for careers, citizenship and life
    - all children grow up in a stable environment, safe, healthy, and ready to succeed
3. Establish a Population Results Organizing Body to implement and oversee this work. A broad and diverse group that includes representation from each branch of state government and nonprofit agencies should be assembled under the direction of an appointed coordinator.
4. Revise the State's Procurement Standards:
  - Standard procurement practices across government branches and standardized training for all staff with procurement roles.

- Expanding considerations for waivers from competitive bidding and increasing flexibility regarding timing and justification for rebidding to assure continuity of services.
- Agencies, whenever possible, create an open planning process for service delivery that involves stakeholders. This planning will occur outside the procurement periods and provide agencies with context and considerations when developing an RFP.

5. Enhance Reporting and Data:

- Streamline data gathering by utilizing common file structures that comply with Federal requirements and maximize the use of modern electronic systems.
- Continue the ongoing efforts by the State to aggregate audit and Nonprofit Strategy Platform data.
- The Office of Policy and Management should perform an annual trend report utilizing the analytical tools and all formulas applied over the past two years to examine the financial health of the private nonprofit providers. This report should be reviewed annually by the Governor's Cabinet on Nonprofit Health and Human Services.

6. Sustainability of Private Nonprofit Providers:

- The State ensures payment rates cover the true cost of services as mutually agreed by provider and the funding state agency in a fair and transparent manner.
- In years without a cost of living adjustment, payment rates and service capacity should be reviewed to evaluate and respond to the changing costs where possible and appropriate.
- Systems to better address depreciation expenses for capital improvement and/or allow for capital reserves should be established in order to maintain the infrastructure of the private provider organizations and assist during times of unanticipated dramatic increases in costs of care resulting from market forces or disaster.

The Cabinet's Final Report: October 1, 2012 can be found at:

[http://www.ct.gov/opm/lib/opm/GOVERNOR%27s\\_NP\\_CABINET\\_Annual\\_Report\\_FINAL\\_2012-10-01.pdf](http://www.ct.gov/opm/lib/opm/GOVERNOR%27s_NP_CABINET_Annual_Report_FINAL_2012-10-01.pdf)

## 2013 Recommendations

*Goal 1: To ensure ongoing provision of high quality, cost effective health and human services by nonprofit community-based providers by promoting a well-trained, well educated workforce.*

1. Look at best practices within the state and across the country.
  2. Project the workforce needs of the future.
  3. Project the workforce skill requirements of the future considering the impact of the Affordable Care Act.
  4. Recommend a plan to work with SDE and the elementary and secondary education systems to train the future workforce.
  5. Recommend a plan to work with Higher Education systems to train the future workforce.
  6. Work with DOL to assemble data on nonprofit employment and wages.
  7. Work with the Department of Veteran's Affairs to match health and human services workforce needs and potential workers.
  8. Work with Department of Economic and Community Development to develop incentives for nonprofit businesses.
  9. A future Jobs Workgroups should:
    - Work with DOL, OPM and relevant state agencies to collect data on the POS and the Judicial Branch CSSD's contracted workforce in the nonprofit sector.
    - Assess and report on progress to develop and implement a statewide data system that captures nonprofit sector workforce needs and trends.
    - Ensure the following data are collected and analyzed, and that resulting recommendations are brought to the Cabinet.
      - Resources within Connecticut educational institutions, including online options, designed to meet the needs of the nonprofit workforce.
      - Data on the training resources provided by the various state agencies that contract with nonprofit providers.
  10. Recommend to the Cabinet a formalized statewide system for identifying interns, a key resource for nonprofit community providers.
  11. The Cabinet supports the recommendations made by the Commission on Nonprofit Health and Human Services in its final report dated March 31, 2011 in the areas of wages, health insurance and retirement benefits.
  12. The Governor's Nonprofit Liaison or a designee should participate as a voice at the table of the Connecticut Employment and Training Commission (CETC). The CETC is Connecticut's State Workforce Investment Board, authorized under the federal Workforce Investment Act and state statute. The CETC provides workforce-related policy and planning guidance to the Governor and General Assembly and promotes coordination of the state's workforce-related investments, strategies, and programs.
- Note: Since the development of this recommendation in 2013, The Workforce**

**Innovation and Opportunities Investment Act 2014, replaces the Workforce Investment Act.**

13. In order to support the workforce of the future, encourage nonprofit health and human service agencies to reflect the inclusion and diversity of the population served.

***Goal 2: To ensure that program outcomes are linked to broader population measures***

1. Develop a plan for implementing “cross-agency population results” including, linking “cross-agency population results” to Purchase of Service (POS) outcome measures and recommending a structure for a “Populations Results Organizing Body”
2. Look at best practices within the state and across the country.
3. In Executive Branch in consultation with the legislative and Judicial Branches should:
  - Establish a policy-level “coordinating entity” to:
    - Lead the effort to ensure the development of program-relevant performance measures that demonstrate program-specific contributions to the population indicators and results as developed by this Cabinet.
    - Ensure these measures are consistently applied to POS contracts across all state agencies and branches of state government.
    - Arrange for the intra-agency teams referenced below, to have adequate support from experts in the development and use of performance measures. This will allow for state agencies, funders and providers to receive the necessary support to develop, implement and use appropriate performance measures as recommended.
    - Utilize the document created by the Population Results Work Group entitled Lessons Learned: A Guide for Connecting Population Results and Performance Measures in Purchase of Service Contracts to guide this work.
4. State agencies that award health and human services POS contracts establish an intra-agency team (that includes staff from data, operations, and contracts divisions) to support the inclusion of appropriate performance measures into POS contracts.
5. That the work group referenced in recommendation 22 below refine the preliminary population indicators selected by the 2011-12 work group using actual data, and ensure this process is ongoing.
6. Designate CTdata.org, managed by the CT Data Collaborative, as the structure to acquire, maintain and make accessible the population indicators data.
7. A work group similar in composition to the current Population Results Work Group of the Cabinet and broadly representative of all stakeholders including all branches of government, funders and providers, be created to advise the “coordinating entity” on the work encompassed in above recommendations.

***Goal 3: To ensure efficiency and cost effectiveness in the state's procurement process while supporting the nonprofit provider infrastructure***

1. Look at best practices within the state and across the country.

2. Recommend revisions to the OPM Cost Standards for certain allowable depreciable expenses.
3. Recommend revisions to the OPM Cost Standards and to POS contracts to allow nonprofit providers to establish capital reserve accounts.
4. Consider a surplus retention policy across POS contracts, analyzing the pros and cons of establishing this policy including the cost to the state and the process for ensuring the provision of contracted services.
5. Develop recommendations to enhance bonding alternatives for nonprofit health and human services providers.
  - Assess utilization and limitations of existing bond pools (DDS, DMHAS, DSS, and DCF).
  - Assess utilization and limitations of OPM Nonprofit Incentive Grant bond pool.
  - Recommend additional bonding options to support the nonprofit provider infrastructure in such areas as Electronic Health Records, IT systems and infrastructure support.
6. Monitor status of procurement and action steps recommendations including:
  - Posting “Principles to Guide the State/Private Nonprofit Provider Partnership”
  - Training on the principles
  - Revising procurement standards
  - Streamlining data reporting requirements
  - Aggregating audit and other data
  - Assessing financial health of nonprofit provider
  - Developing training protocols relating to contract and fee for service reimbursement

***Additional Recommendations:***

1. Retention of Unexpended Funds. It is recommended that:  
 State agencies and providers will continue to collaboratively develop outcome, performance and performance monitoring systems that will enable a greater level of budgetary flexibility including retaining a portion of unexpended funds.  
 In the interim:
  - State agencies may work with providers to allow state funds to be spent first, provided there are no federal or other matching requirements.
  - Providers will continue to submit fiscal and programmatic reports in accordance with current contractual requirements. Providers and state agencies will continue to discuss these reports and other matters and adjustments will be made as needed.
  - Providers will submit the 8-month report as currently, in regard to which:
    - State agencies, in consultation with the provider, may direct spending changes based on fiscal and other reports.

- State agencies and providers may continue to seek, through the budget revision process, to repurpose projected unexpended funds for one-time purposes important to the program and provider.

#### Year-end Reconciliation

- Cost reconciliation will continue to occur at the same level that cost reconciliation currently occurs (i.e. program, SID, etc.) for each contract.
- If there are unexpended funds and if State agency determines that the provider has complied with contractual and other service delivery requirements, then:
  - The provider may retain 50% of the unexpended funds
  - The retention amount shall be capped at 10% of the funds received by the provider (at the program, SID or other level to be reconciled).
- Federal funds will follow federal rules
- Unexpended funds retention would not apply in the first year of a new program.
- In cases of budget deficits, unexpended funds retention may be suspended for a particular fiscal year by the Secretary of OPM or as part of an agency deficit mitigation plan.

## 2. RFP and Procurement Process

The State Procurement Standards for POS contracts be revised to support the following:

- **Applicability:** In addition to the Executive Branch that is required to utilize the Standards, the Judicial Branch is encouraged to use them.
- **Procurement Training:** All agencies utilize standard training for all staff with procurement responsibilities and consider using web-based training to reduce costs and improve efficiencies. Agencies may provide additional materials to address agency-specific policies and procedures.
- **Sole Source Contracts:** Increase the dollar limit (<\$20,000) and length of contract (<one year) to allow for sole source contracting to save time and resources for both the state and providers. This would require statutory change.
- **Waivers from Re-Procurement:** Contrary to the 2012 Cabinet's recommendations, do not change the current factors identified as considerations for a waiver to include items such as evidence-based models which require significant investment at the provider level.
- **Procurement Schedule:** In lieu of requiring a state agency to re-procure the entire system in cases where the agency has concerns regarding the performance of a particular provider(s) within a service type category, allow state agencies to limit the competitive procurement to a particular provider contract.
- **Evaluating the Need:** Revise this section to more concisely and clearly describe when a state agency should engage a contractor. Primarily related to Personal Service Agreements (PSAs) the revised language requires agencies to consider

the ability of another state agency to provide the service, or the ability to purchase the service on a collaborative basis with other state agencies; requires when feasible, the conduct of a cost-benefit analysis and/or the development of a business case to establish the merits and desirability of contracting out. The revised language sets forth additional considerations for state agencies when contemplating the engagement of a contractor for the needed service.

- Writing the RFP: Encourage agencies to adopt a strategic planning focus, rather than a purely operational one, when developing a procurement plan; encourage the use of competitive procurements to identify and adopt new or innovative service models; and in support of those efforts allow an agency, as appropriate, to seek input from stakeholders, including service recipients and clients, service providers, and other experts, prior to the promulgation of the RFP.
- Evaluation Criteria: Disclose weights for each section of the RFP unless there are specific and compelling reasons not to disclose weights for a particular program.
- Contractor Selection: Related to sending the three top ranking proposals to the agency head, specify that no agency personnel, other than the Screening Committee, shall have any part in evaluating or rating proposals or in determining the names of the three top ranking proposers; but allow the agency head to consult with the Screening Committee or other agency personnel in making a decision about which of the three names to select.
- Contractor Selection and Timeline: Require that the agency make a good faith effort to complete the negotiation process with the selected contractor within forty-five (45) days of notification of the award and execute the resultant contract(s) not later than 30 days prior to the contract start date.
- Debriefing and Appeal Process: Require the agency to disclose to a provider who requests a debriefing the number of proposals received, the ranking of their particular proposal and the scores of their proposal and the successful proposal(s); and to schedule and hold the debriefing meeting within fifteen (15) days of the request.
- Monitoring Contractors: Require agency staff assigned to monitor a specific contractor to conduct collaborative discussions geared toward service delivery improvement with the contractor.
- Submission of Proposals - Encourage state agencies to maximize the use of electronic communications as part of the RFP process and to take into consideration both costs to the state and bidders when determining the number of hard copies necessary for the review process.
- Technical recommendations - (1) Use the OPM standard RFP proposal format for all POS contracts; (2) Remove Screening Committee from this section; (3) Require that rating sheets be approved by the agency head (or designee) before the RFP is released; (4) Include the rating sheets in the evaluation plan

(with the criteria and weights) used when evaluating the proposals.(IV.F.4);  
(5) Before the RFP is released, require the agency head (or designee) to approve the evaluation plan, including the weighted criteria.

3. Cost Standards: The Cost Standards for POS contracts be amended as follows:  
Allow costs related to advertising and public relations focused on communicating about available services and access to care.  
Simplify the description of unallowable advertising and public relations costs with new language that includes:  
Costs of meetings or other events not related to the state award.  
Costs of memorabilia, models, gifts or hospitality suites.  
Costs designed solely to promote the organization or solely for fundraising purposes  
Revise the definition of fundraising to remove the word “grants.” The new definition should read, “Fundraising is defined as the organization’s efforts to raise capital or obtain contributions (e.g. cash, non-cash, services, time, and gifts) through financial campaigns, endowment drives or other forms of solicitation.”  
The Cabinet should address the issue of fair rental for agency owned property, including costs of ongoing property management and the need for capital improvement reserves and the language to clarify that taxes incurred under the Affordable Care Act are not reimbursable expenses under the Cost Standards.

The Cabinet’s Final Report: December 1, 2013 can be found at:

[http://www.ct.gov/opm/lib/opm/secretary/hhs\\_cabinet/12-1-13\\_final\\_report\\_-\\_governors\\_cabinet\\_on\\_nonprofit\\_health\\_and\\_human\\_services.pdf](http://www.ct.gov/opm/lib/opm/secretary/hhs_cabinet/12-1-13_final_report_-_governors_cabinet_on_nonprofit_health_and_human_services.pdf)

### **2014 Cabinet Recommendations**

1. Revenue Retention
  - Implement the Cabinet’s 2013 recommendations regarding “Retention of Unexpended Funds”.
2. Cost of Doing Business
  - Provide for reimbursement that covers the cost of doing business.
3. Modify the Department of Developmental Services Residential Revolving Loan Program
  - The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should revise the 6% interest rate for the loan program to more closely reflect market rates.
  - The Department of Developmental Services, Department of Social Services and the Connecticut Housing Finance Authority should review the timeliness of when the first loan payment is scheduled to be paid and when the corresponding increase to the provider's room and board rate is effective. The Departments should consider changing the two effective dates to be more aligned with each other.
  - For capital projects requested to be completed over a specified amount and time period, the Department of Developmental Services and the Connecticut Housing Finance Authority should consider developing a process to reimburse providers based on an identified payment plan based on completion targets.

4. Develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions, including funding contracts at a level that supports:
  - Paying a living wage.
  - Providing benefits including healthcare, retirement and life insurance.
  - Providing training and supports necessary for employees to move along a career path and to promote advancement in the industry.
5. Nonprofit Collaboration Incentive Grant
  - Expand the scope and flexibility of the Nonprofit Collaboration Incentive Grant program to better support the needs of nonprofit organizations.
6. Nonprofit Grant Program
  - Continue to support the capital needs of nonprofit providers through issuance of grants through the Nonprofit Grant Program.
  - While the Office of Policy and Management shall continue to manage the overall Nonprofit Grant Program application and selection process, State Purchase of Service (POS) agencies shall be given an enhanced role in reviewing and providing feedback on projects primarily impacting their clients.
7. Purchase of Service State Agency Bonding
  - Continue to appropriate bond funding directly for the Departments of Mental Health and Addiction Services, Children and Families and Developmental Services for health, safety code and capital projects.
  - Appropriate bond funds to the Department of Correction for health, safety code and capital projects for its community providers.
8. Pay for Success
  - Support legislation that promotes use of Pay for Success/ Social Innovation.
  - Explore opportunities for expanding the Small Business Express program to increase the participation of nonprofit organizations, including increasing the threshold for participation.
  - Support the nonprofit community's capacity to utilize process improvement models by extending the state's Lean consulting contracts to nonprofit providers.
  - Identify cross-sector process improvement projects that can be jointly engaged in by state agencies and nonprofit organizations.
  - Identify opportunities for collaboration across state agencies in order to increase effectiveness and efficiency of working with nonprofit providers.
  - Develop incentives in contract procurements for nonprofit organizations that have implemented a process improvement model (e.g. offer additional points on proposal scoring, technical assistance).
  - Develop mechanism to fund data provision in Purchase of Service contracts.
  - Provide technical assistance to nonprofit organizations on how to analyze and use their data to improve services.

- Develop and implement a standardized human services workforce data collection system for nonprofit organizations that draws from existing or enhanced contract information.
- Restore and streamline the “debriefing and appeal” process in the OPM Procurement Standards.

## 2015-2016 Recommendations

### **Business Practice Workgroup**

#### Workgroup Guiding Principles

- *Development of recommendations sought to emphasize:*
  - *Public/private partnerships*
  - *Building on existing efforts*
  - *No-cost implementation or identification of existing fiscal and human resources*
  - *Attractiveness to private funders*
  - *No legislation required*
  - *Implementation steps and responsibilities to be assessed after the June 2016 Cabinet meeting*

#### 1. Promulgate information about Pay for Success (PFS)/ Social Innovation.

- 2015 Connecticut legislation
- State, federal and national resources

Recommendation 1: Include information about PFS program models in the Nonprofit Toolkit. (Cabinet)

Recommendation 2: Identify three (3) PFS pilot programs, including the Department of Children & Families existing PFS pilot and new pilots with state agencies such as the Department of Correction to determine the effectiveness of the program to provide social and economic value. (Cabinet/State Agencies)

#### 2. Work with Department of Economic and Community Development (DECD) to expand access to capital and technical assistance.

- Explore opportunities for expanding the Small Business Express program to increase the participation of nonprofit organizations, including increasing the threshold for participation.
- Host joint training opportunities for nonprofit organizations.

Recommendation 1: Include the Business Express Program brochure in the Nonprofit Toolkit. (Cabinet)

Recommendation 2: Request that DECD provide trainings and technical assistance to explain the use of the Business Express program as a means of expanding innovative service models. (Cabinet)

Recommendation 3: Increase the involvement of nonprofits in the Business Express programs. (DECD)

3. Work with OPM Office of Statewide Organizational Effectiveness to boost nonprofit access to process improvement training and technical assistance.

- Support the nonprofit community's capacity to utilize process improvement models by extending the state's Lean training and consulting contracts to nonprofit providers.
- Identify cross-sector process improvement projects that can be jointly engaged in by state agencies and nonprofit organizations.

Recommendation 1: Communicate to the nonprofit sector the value of Process Improvement. (Cabinet)

Recommendation 2: Request that OPM offer basic Lean training to any nonprofit seeking this assistance. (OPM)

Recommendation 3: Include a review of a provider's process improvement efforts as part of the evaluation process for those seeking State funds. (OPM)

Recommendation 4: Encourage all state agencies to partner with their nonprofit grantees in Process Improvement projects. (Cabinet/State Agencies)

4. Compile and share a set of foundational components that support effective collaboration including:

- examples of successful collaborations
- practices that facilitate collaboration
- practices that discourage collaboration

Recommendation 1: Establish a communications plan to alert nonprofits about the resources available in the Nonprofit Toolkit through an agreement with the major nonprofit professional groups including: The CT Community Nonprofit Alliance, The CT Council of Family Service Agencies, CT Association for Community Action, etc. (Cabinet)

Recommendation 2: Encourage small organizations to consider collaboration to meet goals of sustainability. (Cabinet)

Recommendation 3: Provide extra points to organizations seeking State funding if their proposed project model is collaborative in nature. (State Agencies)

### Human Resources

1. Make recommendations regarding human resource innovations that support nonprofit organizations.

Recommendation 1: Implement a philosophy of the Strategic Human Resources Management (SHRM) model which assumes adequate resources are available to meet strategic and organizational needs. (Cabinet)

Recommendation 2: Encourage collaborations that merge Human Resources as a back-office function to create cost effectiveness. (Cabinet)

Recommendation 3: Consider increasing the number and types of volunteers to supplement an organization's employee work force. (Cabinet)

### Technology

1. Make recommendations regarding technology resources that support nonprofit organizations, working with the CT Center for Advanced Technology.

Recommendation 1: Administer a broad-scale nonprofit survey to identify and assess deficiencies in IT infrastructure and opportunities to save money by leveraging partnerships or shared IT services.

### Major themes:

- Automation needs
- Off-the-shelf software solutions - challenges
- Mobile computing
- Cloud infrastructure
- Capital investment
- IT Staffing / internal expertise

(Cabinet and CT Center for Advanced Technology)

### Data

2. Work with the State's Open Data Portal

<http://www.ct.gov/opm/cwp/view.asp?Q=566940>

- To ensure provider participation in implementation of the State’s data efforts.
- To identify the information on the Portal that will be useful to nonprofit organizations.

Recommendation 1: Pilot the use of the software used by the Connecticut Open Data Portal. The use of the Open Data Portal would be dependent on system capacity and support resources.

Recommendation 2: Establish a working group of criminal justice providers (e.g. residential/halfway house) to identify common data elements; providers would upload common data for analysis. Data would remain private. (Cabinet and OPM)

3. Identify the frameworks for tracking and analyzing performance measures that are currently being used, with the ultimate goal of agreement on a common framework for performance measures, allowing nonprofit organizations to group measures into like clusters and to evaluate contributions toward population results.

Recommendation 1: Implement recommendations from 2012/13 Cabinet work, including:

- Connection of Population Results with outcome measures in contracts
- Ongoing refinement of population indicators
- Draw upon experiences in Vermont (Benchmarks for a Better Vermont - <http://www.bbvt.marlboro.edu/>) as an example of successful framework implementation  
(Cabinet and OPM)

4. Recommend how increased technical assistance can be provided to nonprofit organizations so as to analyze and use their data to drive service improvement (in conjunction with OPM POS unit).

Recommendation 1: Cabinet endorsement of the concept for a CT Data Academy (See Attachment F).

- Concept jointly developed by OPM/Chief Data Officer and the CT Data Collaborative.
  - Goal: Increase data literacy, build data capacity and enable nonprofits, state and local government, community groups, and organizations across the state to more effectively curate their own data as well as use open data and other sources for the purpose of understanding, measuring, advocating, and impacting lives.
- Public/Private Partnership

- Attractive to private funding
- Data capacity is a foundation for Pay For Success projects (CT Data Collaborative)

### **Contract Procurement and Administration Workgroup**

#### 1. Assess Revenue Retention Pilots.

- Assess the Department of Developmental Services revenue retention pilot.
- Assess the Department of Mental Health and Addiction Services pilot.

Recommendation 1: Recommend adopting the recommendations made by the Governor’s Cabinet on Nonprofit Health and Human Services in 2013, which were also included as recommendations in 2014. These recommendations are attached to this document and would implement savings reinvestment which would involve a collaborative effort between the provider and funding agency and would be contingent on meeting outcome requirements of the contract. That recommendation includes regular reporting of funds expended versus contracted, communication between state agency contract administrators and providers and the ability to retain up to 50% of unexpended funds as “savings reinvestment.”

State agencies and providers will continue to collaboratively develop outcome, performance and performance monitoring systems that will enable a greater level of budgetary flexibility including retaining a portion of unexpended funds.

[Full report](#) (hyperlink)

#### 2. Survey Access to Private Market Capital.

- Ascertain the difficulty nonprofit organizations are having accessing capital by developing, distributing and analyzing a survey.

Private Market Survey Results: The top improvements nonprofit organizations seek investment capital for are:

- Technology - 85% of the 91 responses sought capital funding for technology.
- Building or property repairs and renovations - 68% of the 91 respondents sought capital funding for building / property repairs.
- Vehicles - 47% of the 91 responses sought capital funding for vehicles.
- Note - agencies may have requested capital funding for multiple categories.

How successful was your agency in accessing capital funding from each of the following sources?

	Did not apply	Applied, secured no investment capital	Applied, secured partial investment capital	Applied, secured full investment capital	Total Respondents
National Banks	81.13% 86	9.43% 10	6.60% 7	5.66% 6	106
Community Banks	68.87% 73	11.32% 12	14.15% 15	5.66% 6	106
Credit Unions	93.27% 97	3.85% 4	1.92% 2	0.96% 1	104
Venture philanthropists	86.67% 91	7.62% 8	5.71% 6	0.00% 0	105
Government	42.73% 47	18.18% 20	28.18% 31	12.73% 14	110
Foundations	49.54% 54	11.93% 13	36.70% 40	3.67% 4	109
United Way	83.67% 82	10.20% 10	6.12% 6	0.00% 0	98

Select the degree in which you agree or disagree with each of the following statements:

	Strongly Disagree	Disagree	Neither Disagree nor Agree	Somewhat Agree	Strongly Agree	Total Respondents
Access to capital is limited for agencies like mine.	2.75% 3	4.59% 5	19.27% 21	41.28% 45	33.03% 36	109
Agencies working in my geographical area can access capital as easily as agencies in other areas.	12.96% 14	15.74% 17	48.15% 52	20.37% 22	3.70% 4	108
Agencies working with my population can access capital as easily as agencies working with different populations.	16.82% 18	26.17% 28	34.58% 37	17.76% 19	4.67% 5	107
Agencies with a similarly sized operating budget can access capital as easily as different sized agencies.	19.44% 21	35.19% 38	37.04% 40	5.56% 6	2.78% 3	108

Although resources for capital are available to nonprofits through commercial lenders, repayment is challenging when rates and contract amounts are not adjusted on a regular basis as the cost of doing business increases.

Recommendation 1: Recommend that the state maximize any bonding opportunities available to help nonprofits address capital needs (i.e. Nonprofit Grant program, individual agency bonding).

3. Assess the cost of healthcare on nonprofit organizations.

- Ascertain the changes in the cost of providing healthcare for employees by developing, distributing and analyzing a survey.

**Healthcare Survey Results:** Since January 1, 2015, how has the cost of providing health care benefits to your employee changed for your agency?

- Decreased: 6%
- Stayed the same: 24%
- Increased: 34%

Recommendation 1: Recommend that the Cabinet work in consultation with the Lieutenant Governor’s Office Chief Health Policy Advisor to create a collaborative workgroup including nonprofit leaders, insurance department executives, representatives from the Exchange and other appropriate parties to collectively research and develop options to help nonprofits address the rising cost of healthcare so that they can continue to recruit, retain and provide good benefits to employees.

4. Explore working with DSS to implement 2014 Cabinet recommendations regarding DSS Residential Revolving Loan Fund. (Residential Revolving Loan Fund was transferred from DDS to DSS in the FY 17 State Budget).

Recommendation 1: Revise the 6% interest rate for the loan program to more closely reflect market rates.

Recommendation 2: Review the timeliness of when the first loan payment is scheduled to be paid and when the corresponding increase to the provider's room and board rate is effective. Change the two effective dates to be more aligned with each other.

Recommendation 3: Develop a process to reimburse providers based on an identified payment plan based on completion targets for capital projects requested to be completed over a specific amount of time.

### **DDS Revolving Loan Fund Background**

- DDS does not use traditional bonding for community providers like DMHAS and DCF. The Community Residential Revolving Loan Fund was established in 1985 by PA 85-472.
- Mortgage program – for the construction, purchase and renovation of community based residential facilities.
- Capital improvement and repair loan program – for repairs or improvements for community based residential facilities.
- DDS makes loans to non-profit organizations for construction, purchase or renovation of community residential facilities for people who have intellectual disabilities.
- Loan may be up to 100% of the total property development costs but can’t exceed \$60,000.

- DSS then adjusts the room and board rates paid to DDS residential providers to support the loan repayment.
- 15 outstanding loans, 45 providers awarded loans.

### Challenges

- 6% interest rate, rates adjusted by DSS in room and board funding, presents cash flow issues for some agencies, administration of the program being transferred to CHFA.
- DDS or CHFA should review current lending rates at least annually to assure that the Revolving Loan Fund rates are competitive and reflective of current market rates.
- DSS should adjust the room and board rates to be reflective of capital improvement within 90 days of the project completion.

### 5. Review status of nonprofit bonding.

- Nonprofit Collaboration Incentive Grant
  - Review status of FY15 RFA process
  - Develop recommendations for future
- Nonprofit Grant Program
  - Review status of FY15 RFA process (2nd round 3/15)
  - Review status of FY15 RFA process (3<sup>rd</sup> round 4/15)
  - Develop recommendations for future

### Nonprofit Bonding Background

- Originated in 2013 to support infrastructure needs of nonprofit providers. \$20M allocated in both FY14 and FY15. An additional \$30M was added to FY15, bringing the total funding to \$70M for the program.
- The FY16 and FY17 budgets include \$10M in each year for the Nonprofit Grant Program. An additional \$15M was added to FY 17, bringing the total funding to \$25M for FY 17.
- In FY14 - 146 Projects were funded.
- In January 2015 - An additional 130 projects were funded.
- In Round 3 (Summer 2015), 144 applications were received totaling \$122M in requests. Total funding available is \$30M. Funding announcements were made in January 2016 for funding of \$15M of the total \$30M available. Another \$15M remains in the pool for FY 2016. The OPM website lists funded projects under the Nonprofit Grant Program.

- Significant infrastructure needs have been identified through the overwhelming response to this program.

Recommendation 1: In November 2015, the Cabinet recommended increasing the bonding pool available in FY16 and FY17 to \$25M in each year to address unmet needs and include funding to incentivize collaboration. The Governor's mid-term budget adjustments included an increase for FY17 of \$15M from \$10M to \$25M for the Nonprofit Grant Program.

In addition, \$15M was included on the Bond Commission agenda in February 2016 and the other \$15M remains in the pool.

The workgroup also recommends creating an ongoing Nonprofit Grant Program for infrastructure needs of nonprofit human service agencies funded at a minimum level of \$15M a year and allocated through a formal RFP process. This is not meant to take away from bonding resources within individual human service state agencies for their nonprofit partners.

In addition, the workgroup recommends exploring the option of any existing low-interest loan programs currently available to the nonprofit community.

#### 6. Work with OPM Purchase of Service Unit on Contracting Reforms

- Identify opportunities for collaboration across state agencies in order to increase effectiveness and efficiency of working with nonprofit providers.
- Develop incentives in contract procurements for nonprofit organizations that have implemented a process improvement model (e.g. offer additional points on proposal scoring, technical assistance).
- Develop mechanism to fund data provision in Purchase of Service contracts.
- Evaluate the effectiveness of the current criteria that drive re-procurement (timeframes, quality standards, cost thresholds), and make recommendations to improve those criteria if necessary.
- Participate in the development of the state's enterprise contract management system.

Recommendation 1: The Governor's Cabinet on Nonprofit Health and Human Services becomes a forum for state agencies to share their vision, priorities and challenges with each other and their nonprofit partners. The Cabinet would not only serve as a vehicle for addressing specific charges as assigned by the Governor but would also be the venue to foster collaboration and sharing of best practices.

The Cabinet should meet monthly with the purpose of:

- Resource sharing, collaboration between state agencies and collaboration between state agencies and nonprofits.
- Monitor and report on and assess the impact of prior recommendations. The Cabinet's website should include a tracking tool to display progress towards recommendations made in prior reports, using a dashboard or similar approach.

Recommendation 2: Add a standard question on RFPs about how nonprofit agencies address process improvement.

Recommendation 3: RFPs should include a plan for data collection, should be clear on expected outcomes and should adequately fund those required responsibilities as part of the administrative costs of running the program. Any new requirements should be negotiated with the contractor and funded appropriately.

State agencies should review their data collection requirements annually and remove any unnecessary reports, forms or data fields collected. Data collected should be pertinent and useful.

**Excerpt from the Partnership Principles**

- Reporting and monitoring systems emphasize the level and efficacy of services for consumers.
- Providers and government agree in advance and adhere to evaluation methods, which may include assessments by staff and consumers as well as other performance measures, providers report on these annually.
- Providers and government agree in advance to program activity measures that provide pertinent information about services.

Recommendation 4: The Committee supports the current processes for re-procurement and the criteria used to determine waivers for re-procurement. Paperwork should be minimized. Agencies should use Biznet and electronic documents to the greatest extent possible.

The Central Contracting Unit at DMHAS should take the lead in supporting collaboration and consistency between state agencies regarding contracting.

**Excerpt from the Partnership Principles**

- There is a system for defining and measuring acceptable and excellent performance.
- Decisions to conduct open bidding processes rather than contract renewals consider investments required to apply for, start up, deliver, administer and evaluate services.

- The renewal process minimizes duplicative paperwork by allowing providers to certify where there are no changes to corporate legal and organizational status.
- When contracts are not renewed, the transition process takes the best interests of consumers and communities into account.
- Timeframes for government communication about the non-renewal of a contract allow for coordination between the terminated and new provider to allow for continuity of care for consumers.

Recommendation 5: The Contract Procurement and Administration Workgroup should have a consultative/advisory role in the development phase of the enterprise contract management system.

7. Develop recommendations for payment reform models to enhance the financial viability of nonprofit organizations.

Recommendation 1: The workgroup recommends that the statement below serve as a theme to the Cabinet's 2016 Report:

A financially viable human services system is vital to the health, quality of life and economic well-being of the State of Connecticut. In order to support a financially viable human services system, funding levels (including rates and contract amounts) should be based on the full costs of services consistent with an agreed upon set of quality standards and outcomes.

*Background Statement: State agencies use a variety of methodologies to determine rates and funding levels for contracts.*

Recommendation 2: Modeled after the Administration's Purchase of Service Contracting Efficiency Office, the workgroup recommends the establishment of a Purchase of Service Rate Setting Office.

- Membership would be staff from each state POS state agency contracting department's Rate Setting Office.
- Function - collaboratively conduct a rate setting process review in which staffing levels, organizational structure, and processes and rate setting / funding level methodologies would be identified and analyzed.
- Workgroup would report on strengths, weaknesses, and best practices.

Goal - improve consistency, streamline and standardize the rate setting/ contract funding processes, assure compliance with federal funding requirements, maximize federal reimbursement and develop consistent process for determining costs and rates.

Recommendation 3: Recommend establishing a Nonprofit Human Service Investment Fund (managed by the State Treasurer) similar to the proposed Transportation lockbox, to

support increases in rates and contracts to meet the costs of services. Possible funding mechanisms include:

- Voluntary check off contributions on tax forms to allow for a contribution if a taxpayer has not met the maximum in charitable contributions allowed.
- License plate / Vanity plate specific for human services.
- Portion of motor vehicle speeding violation fine to go to this fund.
- A percentage of savings created through shifting state provided services to the nonprofit provider system.
- A portion of the social worker license fee could go to this fund.
- A portion of fines paid by those who park in reserved spaces for individuals with disabilities could go to this fund.
- A portion of the sale of state surplus property could go to support this fund.
- If there is a surplus, then a portion of the state surplus goes to this fund.

### **Nonprofit Employment and Training Workgroup**

Develop and implement strategies to assist nonprofit providers in recruiting, training and retaining staff in health and human service positions.

1. Make recommendations on training and supports necessary for employees to move along a career path and to promote advancement in the industry.
  - Work with the Board of Regents for Higher Education to develop, identify, publicize, and implement opportunities for nonprofit organizations to partner with community colleges that will allow for affordable educational opportunities and career paths, including:
    - Certificate Programs
    - Degree Programs
    - Continuing Education Trainings
    - Internships

#### Training and Staffing

Recommendation 1: Create uniformity among state human services agencies with respect to common definitions, requirements and standards.

*Rationale: This will enable private providers with multiple state contracts with differing agencies to educate their employees on a single set of requirements, thus streamlining mandatory training. Additionally, create a "deemed status" provision so that core training satisfies all state agencies. For example, medication administration could be taught to meet the needs of DCF, DDS providers*

*(where staffs are typically administering medications) and DMHAS providers, where staffs typically help consumers with self-administration programs.*

Recommendation 2: State agencies should share training resources with private providers and joint training should occur on key topics that are relevant to both (e.g., trauma training).

*Rationale: Collaboration will benefit both state agencies and providers for several reasons. First, it will reduce costs for private providers. Also, it might help providers retain staff by creating some parity of professional development between the public and private sectors. Learning and training collaboratives will mutually benefit providers and state agencies in the development of workplace culture, quality assurance/quality improvement and job satisfaction.*

Recommendation 3: Incentivize private providers to leverage technology for training and professional development.

*Rationale: In-person training is expensive. It requires the costs not only of professional trainers, but it is expensive for employees who have to travel from their worksites to attend the training. Moreover, the scope of required skills and training continues to expand, putting even more pressure on providers' budgets. Electronic learning can offer substantial benefits to private providers. First, it reduces the costs of in-person training due to efficiencies in travel costs and time. Second, it can offer a wider array of modules for both required training as well as modules that may be attractive to employees for their own professional development (which may help with retention and succession planning) without increasing overhead costs. Training models can be recorded and accessible to new employees and others. Clinicians may also be able to obtain CEUs, thus reducing reliance on conferences and travel expenses. Indeed, many trends in human services reflect the need for greater clinical knowledge by all levels of staff, including direct care. By offering financial incentives, private providers could afford the upfront implementation fees while obtaining a substantial return on investment in the long run. Finally, current trends are moving towards the use of e-health records making IT skills critical to efficient operations. For these reasons, use of IT should be incorporated in daily job tasks including learning and training.*

## 2. Promote Education and Outreach

Recommendation 1: Request that the Board of Regents pilot a Human Services Management Certificate program at no less than two community colleges that currently offer a human services degree program in the southern or western region of the state.

*Rationale: During workgroup meetings, members discussed that movement into supervisory and management positions may not have to be linked to a college degree. Many organizations develop their existing and potential management staff by sending them to outside management training, bringing in outside trainers, or developing an in-house management program. These trainings, while*

*beneficial, have their own specific focus and curriculum and, therefore may not be recognized outside of that agency.*

Recommendation2: Request that the Office of Higher Education revitalize its Education and Employment Information Center to serve as a “hub” that would link users to all pertinent information regarding college programs and financial aid for nonprofit human service workers.

*Rationale: The workgroup research showed that there is a significant amount of information available to potential students regarding courses, financial aid, etc. However, this information is not in one location and takes a good deal of individual research. The Board of Regents, Department of Labor, and the Office of Higher Education all have a great deal of this information on their respective websites, as well as links to other resources. It was discussed to have a link connected to the website of the newly formed Connecticut Community Nonprofit Alliance. The link would connect a user to the BOR, DOL, OHE, and other resources including those discovered and added by other non-profits, e.g. TD Bank Program.*

Recommendation 3: Request that the Governor’s office create a tuition voucher program for private non-profit workers who are not represented by workers’ union.

*Rationale: It is common knowledge that the ability to pay for college is the number one barrier for individuals employed by nonprofit organizations. The vast majority of these employees would be attending college on a part-time basis and this is much more expensive since these courses normally charge on a per credit basis.*

3. Provide guidance in the rollout of the Second Chance Society initiative to engage nonprofit participation (in conjunction with OPM)

[http://www.governor.ct.gov/malloy/lib/malloy/2015.02.03\\_gov\\_malloy\\_second\\_chance\\_society.pdf](http://www.governor.ct.gov/malloy/lib/malloy/2015.02.03_gov_malloy_second_chance_society.pdf)

#### Second Chance Society

Recommendation 1: State agencies review and modify Purchase of Service (POS) contract language to be consistent with Ban the Box legislation.

*Rationale: Sec. 46a-80. (Formerly Sec. 4-61o). Denial of employment based on prior conviction of crime. Inquiry re prospective employee’s past convictions. Dissemination of arrest record prohibited. Except as provided in subsection (c) of this section, subsection (b) of section 46a-81 and section 36a-489, and notwithstanding any other provisions of law to the contrary, a person shall not be disqualified from employment by the state or any of its agencies, nor shall a person be disqualified to practice, pursue or engage in any occupation, trade, vocation, profession or business for which a license, permit, certificate or registration is required to be issued by the state or any of its agencies solely because of a prior conviction of a crime.*

Recommendation 2: State agencies and Nonprofits review employment applications and hiring decisions to be compliant with and put into practice policies and procedures consistent with Ban the Box legislation.

Recommendation 3: Education and Outreach be provided regarding Certificates of Employability and State agencies and Nonprofits honor/give consideration to those who have been issued certificates of employability.

*Rationale: Certificate of Employability is a form of relief from the barriers and forfeitures to employment or the issuance of professional licenses as a result of a criminal conviction that may be granted to an eligible offender by the Court Support Services Division of the Judicial Branch (CSSD) or the Board of Pardons and Paroles. When CSSD or the Board of Pardons and Paroles issues a Certificate of Employability, it tells potential and current employers and/or licensing agencies that CSSD or the Board of Pardons and Paroles believes that the certificate holder's prior conviction(s) should not prevent him or her from getting a job or a professional license.*